

**SALES AND USE TAX REVIEW COMMISSION
RECOMMENDATION PURSUANT TO P.L. 1999, C. 416**

BILL NUMBER:

S-1611

DATE OF INTRODUCTION:

May 5, 2008

SPONSOR:

Senator Allen

DATE OF RECOMMENDATION:

June 12, 2008

IDENTICAL BILL:

COMMITTEE:

Senate Economic Growth Committee

DESCRIPTION:

The Bill proposes to exempt from sales tax sales of methane conversion machinery and equipment.

ANALYSIS:

This proposal would provide for a broad exemption of all tangible personal property and services purchased in relation to the conversion of machinery and equipment to accept methane fuel. The Bill requires that the exemption be administered by refund. Additionally, the claim for exemption must be supported by documentation to be acquired from the Department of Environmental Protection.

Generally, the Commission does not support use of sales tax laws and policy to create incentives to influence consumer choice or to benefit specific industries.

RECOMMENDATION:

The Commission does not recommends enactment of this Bill.

COMMISSION MEMBERS FOR PROPOSAL: 0

COMMISSION MEMBERS AGAINST PROPOSAL: 5

COMMISSION MEMBERS ABSTAINING: 0